

August 20, 2019

VIA EMAIL (director@laort.edu)

Mr. Joseph Neman Executive Director Los Angeles ORT College 6435 Wilshire Boulevard Los Angeles, CA 90048

> Re: Interim Report Reviewed; Institutional Show Cause Continued; Interim Report Required

> > **ACCET ID #366**

Dear Mr. Neman,

At its August 2019 meeting, the Accrediting Commission of the Accrediting Council for Continuing Education & Training (ACCET) reviewed the institution's interim report in response to the April 17, 2019 Commission Action letter, as a result of its review of the Quality Assurance Visit report (visit conducted February 27, 2019) and the institution's response to that report, dated March 19, 2019. The Commission's April 2019 action directed the institution to submit an interim report to include the following specific items: 1) An update on the institution's appeal related to the BPPE decision to deny licensure to Los Angeles Ort College, including notice of the date of the appeals hearing, any appeals brief or related documentation submitted by the institution, and, if applicable, the appeals decision; 2) Documented evidence of the institution's financial stability and evidence of the systematic and effective implementation of policies and procedures to address the findings in the institution's 2017 Student Financial Aid Audit, including: (a) the management of payments and transactions consistent with HCM1 requirements for disbursing/crediting Title IV funds; (b) the implementation of procedures to ensure no co-mingling of federal and non-federal funds; and (c) the reporting of accurate and timely data relative to students' change of status in the National Student Loan Data System (NSLDS); 3) A copy of the institution's 2018 Student Financial Aid Audit; 4) A copy of the institution's Program Review Report (review conducted February 2018) when available, as well as a copy of the institution's response to that report; and 5) A copy of the letter of credit required under the Provisional Program Participation Agreement (PPA), as a result of the institution's low financial responsibility composite score.

Upon its review of the interim report, received June 13, 2019, the Commission voted to continue the Show Cause directive, requiring the institution to provide a compelling rationale as to why its accredited status should not be withdrawn, due to ongoing, serious concerns regarding financial

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stability that jeopardize the institution's state license and impact the institution's participation in Title IV federal financial assistance. The Commission determined that the institution satisfactorily addressed item number 2 but had not resolved items 1, 3, 4, and 5. Therefore, the Commission directed the institution to submit an additional interim report to include the following specific items:

- 1. A narrative update, along with any further correspondence from BPPE related to the appeals hearing on BPPE's decision to deny licensure to Los Angeles ORT College scheduled for November 19, 2019, as well as any appeals brief or related documentation the institution intends to submit at the appeals hearing. The institution is also directed to submit any update on its appeal that may arise after the submission of its interim report and prior to the Commission meeting of December 3, 2019, and to submit available information to Dr. Mary Clare DiGiacomo at MCDiGiacomo@accet.org.
- 2. A copy of the institution's Student Financial Aid Audit for FY 2018 to demonstrate that the findings in the FY 2017 SFA were fully addressed by the institution and not cited again in 2018.
- 3. A copy of the Program Review Report (review conducted February 2018) and the institution's response to that report.
- 4. Updated documentation to demonstrate compliance with the US ED letter of credit required under the Provisional Program Participation Agreement, including evidence that the current letter of credit, which expires on August 27, 2019, has been extended or replaced with a new letter of credit.

A copy of this report, **including the attached interim report cover sheet**, must be emailed to **interimreports@accet.org** for receipt at the ACCET office no later than **October 31, 2019**.

As a reminder, please be advised that late submission and receipt of documents and reports are subject to significant late fees in accordance with Commission policy. These fees are outlined in ACCET Document 10, which can be found at <u>www.accet.org.</u>

Further, while under a Show Cause directive, the institution is restricted from making any substantive changes including, but not limited to, new programs, major program revisions, new branch campuses or other new sites, or relocations out of the general market area.

Your demonstrated improvements are acknowledged and appreciated. However, your demonstrated capabilities and commitment in support of the institution's accredited status are essential to a favorable outcome in this process. Should you have any questions or need further assistance regarding this letter, please contact the ACCET office at your earliest opportunity.

Sincerely,

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William V. Larkin, Ed.D. Executive Director

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Enclosure: Interim Report Cover Sheet

CC: Mr. Herman Bounds, Chief, Accreditation Division, US ED (aslrecordsmanager@ed.gov) Ms. Charity Helton, Specialist, USED (charity.helton@ed.gov) Mr. Ron Bennett, Director, School EligibilityService Group, US ED (ron.bennett@ed.gov) Ms. Martina Fernandez-Rosario, ACD - San Francisco/Seattle, US ED (martina.fernandez-rosario@ed.gov) Ms. Yvette Johnson, Enforcement Chief, CA Bureau for Private Postsecondary Education (yvette.johnson@dca.ca.gov) Ms. Leeza Rifredi, Deputy Bureau Chief, CA Bureau for Private Postsecondary Education (leeza.rifredi@dca.ca.gov)